

# San Diego County Economic Forecast

San Diego County is the southern-most county in California. The population now exceeds 3.05 million people, and there are 1.27 million wage and salary jobs located in the county. The per capita income in San Diego County is \$36,000, which is higher than the California state average.

Economic growth in Southern California was impressive in 2004 compared to the northern half of the state. Over 18,400 jobs were created in San Diego County last year, which represents a growth rate of 1.5 percent. The unemployment rate rose slightly to 4.7 percent last year, but this rate is still indicative of a tight labor market.

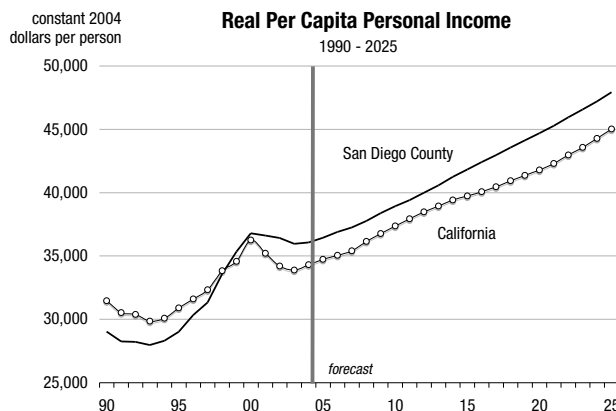
The principal employment clusters in San Diego County are defense contractors, computer and electronics manufacturing, healthcare services, and tourism. The U.S. Navy is the largest employer. The north county area is still growing faster than the City of San Diego or the south county areas, due to the greater production of housing between Carlsbad, Poway, and the northern county border.

The fastest growing cities include San Marcos, National City, and Chula Vista with population growth rates exceeding 4 percent between January 2004 and January 2005. San Diego is the largest city in the county, with over 1.3 million residents. The growth rate was 1.1 percent.

Employment and population will continue to grow at a healthy rate in San Diego County over the next five years. The northern end of the county is expected to dominate growth in San Diego County, but population and residential development in the City of Chula Vista, located in the south, has recently accelerated and is also expected to grow rapidly over the forecast.

## Forecast Highlights

- Job growth will remain at 2004 levels in 2005, averaging 1.5 percent. Job growth will increase to 1.8 percent in 2006. Over the next five years, the average annual growth rate is 2.0 percent per year.
- Average salaries adjusted for inflation are currently well above the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 0.9 percent per year over the next 5 years.
- The services sector remains the growth engine of jobs in San Diego County. Employment in professional and business services is expected to grow by over 4.4 percent per year for the next five years, and will be responsible for 39 percent of total job growth over that time period.
- The population will continue to grow in the county, but at a slower rate than it did over the past five years. Annual growth in the 2005 to 2010 period averages 1.4 percent per year. The



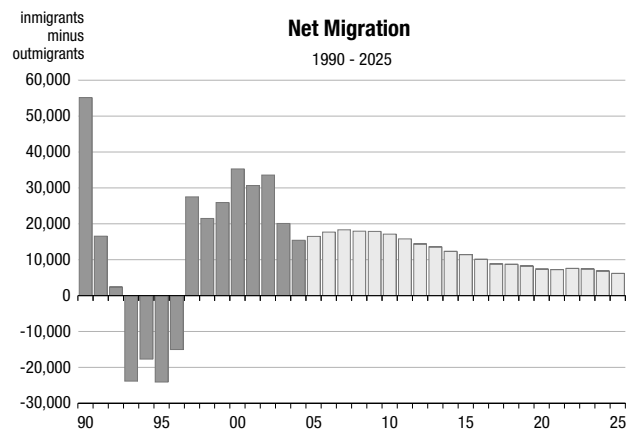
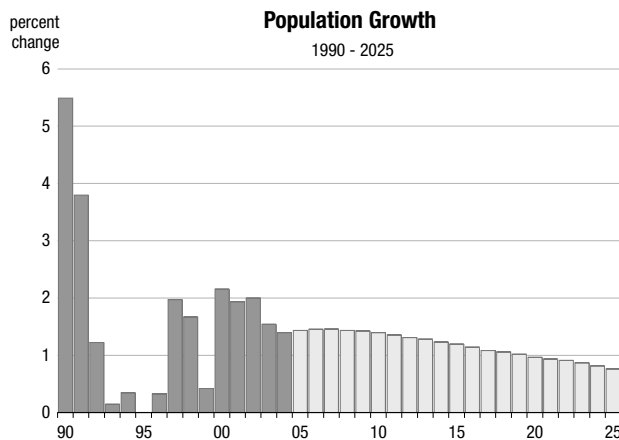
slowdown in population growth is largely due to the fact that net migration in the county has been declining.

- Net migration increases slightly in 2005 to 16,500 persons, but remains well below the average of net migration over the 2000 to 2004 period. The forecast of net migration declines because both job growth and housing production are forecast to remain at modest levels.
- Real per capita incomes increase at a rate of 1.1 percent in 2005. An annual compound rate of growth of 1.3 percent is forecast over the next 5 years.
- Industrial production will increase by 2.3 percent in 2005. Over the next five years, the growth rate of industrial production will average 3.8 percent per year.

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## 1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	2,657,800	-24,022	1.98	931	6,608	\$23.4	\$61.7	\$29,011	1.6	1,310	11.9	6.4
1996	2,666,500	-15,012	2.03	938	6,868	\$25.1	\$65.9	\$30,334	1.7	1,368	12.4	5.3
1997	2,719,200	27,507	1.95	944	11,402	\$27.4	\$70.5	\$31,325	1.7	1,376	13.7	4.2
1998	2,764,600	21,520	2.10	952	12,173	\$29.6	\$78.0	\$33,579	1.4	1,403	14.7	3.5
1999	2,776,300	25,928	2.17	962	16,427	\$32.8	\$84.3	\$35,343	2.3	1,445	15.7	3.1
2000	2,836,179	35,301	2.27	995	15,927	\$36.2	\$92.7	\$36,791	3.3	1,413	17.0	3.0
2001	2,891,115	30,684	2.35	1,003	15,638	\$37.7	\$97.1	\$36,610	3.4	1,405	14.6	3.2
2002	2,948,968	33,628	2.44	1,016	15,738	\$38.6	\$101.3	\$36,416	2.8	1,375	14.2	4.3
2003	2,994,454	20,148	2.45	1,029	18,314	\$40.9	\$104.2	\$35,969	2.6	1,396	14.6	4.2
2004	3,036,373	15,470	2.51	1,043	17,306	\$43.1	\$109.5	\$36,061	3.3	1,341	15.2	4.7
2005	3,079,949	16,509	2.57	1,060	17,054	\$45.8	\$115.2	\$36,438	2.7	1,305	15.5	4.6
2006	3,124,775	17,711	2.63	1,076	16,242	\$48.4	\$121.4	\$36,907	2.5	1,286	15.9	4.6
2007	3,170,363	18,330	2.69	1,092	15,682	\$51.0	\$127.4	\$37,261	2.4	1,276	16.6	4.5
2008	3,215,892	17,994	2.75	1,107	15,644	\$53.7	\$134.1	\$37,770	2.3	1,272	17.4	4.4
2009	3,261,716	17,891	2.80	1,122	14,677	\$56.6	\$141.3	\$38,392	2.2	1,282	18.0	4.3
2010	3,307,310	17,168	2.86	1,136	14,817	\$59.7	\$148.8	\$38,927	2.4	1,293	18.8	4.2
2011	3,352,123	15,848	2.91	1,150	14,968	\$63.0	\$156.5	\$39,409	2.5	1,314	19.5	4.2
2012	3,396,074	14,450	2.96	1,164	15,206	\$66.5	\$165.2	\$40,001	2.6	1,339	20.2	4.1
2013	3,439,592	13,605	3.00	1,179	14,766	\$70.1	\$174.4	\$40,584	2.7	1,356	21.0	4.0
2014	3,482,069	12,330	3.04	1,193	14,415	\$73.9	\$184.2	\$41,243	2.7	1,375	21.8	3.9
2015	3,523,731	11,460	3.08	1,207	14,219	\$77.9	\$194.4	\$41,824	2.8	1,389	22.6	3.9
2016	3,563,955	10,146	3.12	1,220	13,708	\$82.0	\$204.9	\$42,410	2.8	1,407	23.3	3.9
2017	3,602,608	8,845	3.15	1,234	13,361	\$86.1	\$215.3	\$42,956	2.6	1,426	24.0	4.0
2018	3,640,757	8,761	3.19	1,246	13,580	\$90.3	\$226.2	\$43,573	2.5	1,446	24.9	4.0
2019	3,677,933	8,307	3.22	1,259	13,643	\$94.7	\$237.3	\$44,123	2.5	1,469	25.7	3.9
2020	3,713,525	7,383	3.25	1,272	13,497	\$99.2	\$248.6	\$44,694	2.4	1,494	26.5	3.9
2021	3,748,274	7,281	3.28	1,285	13,175	\$103.8	\$260.2	\$45,274	2.4	1,519	27.3	3.8
2022	3,782,449	7,609	3.31	1,298	13,192	\$108.7	\$272.9	\$45,943	2.4	1,543	28.0	3.7
2023	3,815,428	7,441	3.34	1,311	13,119	\$113.7	\$286.0	\$46,567	2.5	1,567	28.7	3.6
2024	3,846,688	6,877	3.37	1,323	12,691	\$119.0	\$299.6	\$47,204	2.5	1,596	29.5	3.6
2025	3,876,025	6,211	3.40	1,335	12,647	\$124.6	\$314.0	\$47,924	2.4	1,627	30.3	3.6



# San Diego County Employment Forecast

## 1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment ( thousands of jobs)-----											
1995	989	10.8	44.5	106.8	26.9	148.9	57.3	135.2	26.1	97.5	113.3	186.1
1996	1,017	11.0	46.5	110.4	27.6	150.9	59.0	143.3	28.0	99.0	114.2	190.1
1997	1,065	10.8	51.9	117.1	28.8	158.9	62.3	155.2	30.6	102.9	116.2	192.0
1998	1,116	10.6	60.2	124.0	28.6	159.4	66.0	173.1	34.3	107.1	118.6	194.5
1999	1,164	11.2	67.0	122.9	29.2	165.0	70.4	185.0	36.2	112.2	124.4	199.3
2000	1,206	11.4	69.7	122.6	29.8	172.9	71.2	195.2	39.2	115.3	129.0	206.7
2001	1,230	11.4	75.1	119.0	32.0	177.1	72.0	198.2	38.8	116.0	131.4	213.8
2002	1,242	11.0	76.4	112.3	29.3	179.3	75.0	201.7	37.7	119.7	133.8	219.7
2003	1,251	11.2	80.2	105.3	27.3	182.4	79.9	201.2	36.9	121.8	140.7	217.3
2004	1,270	11.1	87.4	104.2	28.4	186.1	81.6	205.1	36.4	121.3	145.3	214.7
2005	1,289	11.1	90.0	104.3	29.6	190.0	82.5	211.6	35.6	122.7	148.6	214.0
2006	1,313	11.2	91.9	104.4	30.7	193.6	83.9	220.9	35.4	124.4	151.5	214.8
2007	1,339	11.2	93.5	103.9	31.8	196.9	84.2	232.7	35.9	126.2	153.9	217.6
2008	1,366	11.2	95.0	103.1	32.9	200.2	84.5	243.4	37.0	128.2	156.0	222.2
2009	1,395	11.2	96.1	102.8	33.6	203.9	85.0	253.5	38.4	130.4	158.5	228.3
2010	1,423	11.2	97.3	102.6	34.2	207.6	86.0	262.6	40.1	132.8	161.2	233.6
2011	1,449	11.2	98.4	103.3	34.4	211.2	86.1	270.5	41.8	135.4	164.0	238.7
2012	1,475	11.2	99.2	103.7	34.6	214.7	86.2	277.9	43.4	138.7	166.8	243.3
2013	1,500	11.2	99.8	103.7	35.3	218.2	87.4	284.7	44.8	142.1	169.5	247.6
2014	1,523	11.1	100.4	103.4	35.9	221.7	89.0	290.3	46.1	145.5	172.1	251.6
2015	1,546	11.1	101.0	102.7	36.8	225.1	90.9	295.6	47.3	149.2	174.3	255.5
2016	1,567	11.1	101.5	102.7	37.6	228.5	92.5	299.3	48.3	152.7	176.5	259.5
2017	1,586	11.0	101.9	102.6	38.2	231.8	93.5	302.6	49.4	156.1	178.4	263.6
2018	1,607	11.0	102.5	102.4	38.8	235.1	94.4	306.3	50.3	159.6	180.6	268.4
2019	1,627	10.9	103.1	102.2	39.3	238.4	95.4	310.0	51.3	162.9	182.6	273.6
2020	1,646	10.9	103.6	101.5	39.7	241.6	96.6	312.6	52.1	166.3	184.7	278.3
2021	1,667	10.8	104.1	101.7	40.1	244.9	98.1	315.2	52.8	169.6	187.3	283.1
2022	1,689	10.8	104.8	102.6	40.6	248.2	99.7	317.9	53.6	172.9	190.0	288.4
2023	1,711	10.7	105.5	103.5	41.1	251.5	101.1	320.9	54.3	175.9	192.9	293.6
2024	1,732	10.6	106.1	104.4	41.5	254.8	102.6	323.1	55.1	178.8	196.1	299.1
2025	1,753	10.5	106.7	105.5	41.7	258.1	104.0	324.8	55.9	181.7	199.5	304.1

